

Office of Inspector General
U.S. Department of State
U.S. Arms Control and Disarmament Agency
U.S. Information Agency, including
Broadcasting Board of Governors

Reports and Testimony

December 1998

Congressional Response

Management Problems Confronting the Foreign Affairs Agencies

In December, the Inspector General responded to a request from the House Majority Leader and Chairman of the House Committee on Government Reform and Oversight for a summary of the most serious management problems confronting the foreign affairs agencies OIG oversees. In response, the Inspector General described several major management challenges, including strengthening border security, consolidating foreign affairs agencies, linking resources to foreign policy objectives, enhancing professional development and readiness, addressing security vulnerabilities, achieving Y2K compliance, strengthening information resource management, correcting weaknesses in financial management, and improving real property management and maintenance. The letter also referenced related OIG reports.

Reports Issued by the Office of Audits

United States Educational Foundation, Pakistan (USIA-99-CG-001)

The OIG received the United States Educational Foundation in Pakistan (the Foundation) at the request of USIA's Bureau of Education and Cultural Affairs (E Bureau) to determine whether the Foundation adequately accounted for Federal funds and complied with applicable laws and regulations.

The audit disclosed that the Foundation adequately accounted for Federal funds and employee retirement funds. Furthermore, the Foundation generally complied with applicable laws and regulations, but surplus funds totaling as much as \$262,000 accumulated at the Foundation during the audit period. Foundation administrative costs were higher than necessary because Foundation personnel received excessive pay for duties performed, the executive director's contract allowed payment for personal expenses normally paid by the individual, and the Foundation allowed \$2,900 in unauthorized transportation costs. Restructuring the organization and reclassifying jobs to more accurately reflect the duties performed would result in annual savings of about \$22,000. USIA also did not provide adequate financial oversight to

International Cooperative Administrative Support Services System Financial Statements
September 30, 1997 (99-FM-004)

The Government Management Reform Act requires the OIG to audit the financial statements for the International Cooperative Administrative Support Services (ICASS) System in order to obtain reasonable assurance and express an opinion on whether the financial statements were free of material misstatement to determine whether ICASS has an internal control structure that provides reasonable assurance of achieving internal control objectives and whether ICASS has complied with applicable laws and regulations. The OIG is issuing an unqualified opinion on the ICASS financial statements for FY 1997.

<p>Reports Issued by the Office of Security and Intelligence Oversight¹</p>

Islamabad (SIO/C-99-09)

Security at Embassy Islamabad and its constituent posts has significantly improved since the last security oversight inspection, which was conducted in August 1996. Most of the recommendations of that inspection have been satisfactorily implemented. Security issues involving emergency preparedness and procedural security, specifically at the American Club, need more attention.

New Delhi (SIO/C-99-10)

Security at Embassy New Delhi and its constituent posts has improved since the last security oversight inspection, which was conducted in March 1996. Most of the recommendations of that inspection have been satisfactorily implemented. Nevertheless, several security issues involving emergency preparedness and procedural security need more attention at some constituent posts.